

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**December 8, 2021**

Residency at the Entrepreneur Hollywood, located at 1657 - 1661 N. Western Avenue in Los Angeles, requested and is being recommended for a reservation of \$4,177,665 in annual federal tax credits to finance the new construction of 198 units of housing serving special needs tenants with rents affordable to households earning 30-80% of area median income (AMI). The project requested \$16,211,968 in total state tax credits, but due to the limited availability, is not being recommended any state tax credits. The project will be developed by ABS Properties, Inc. and will be located in Senate District 24 and Assembly District 43.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-21-714

**Project Name** Residency at the Entrepreneur Hollywood  
**Site Address:** 1657 - 1661 N. Western Avenue  
Los Angeles, CA 90027 County: Los Angeles  
**Census Tract:** 1905.10

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$4,177,665	\$16,211,968
Recommended:	\$4,177,665	\$0

\* The applicant made an election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

**Applicant:** Residency at the Entrepreneur, LP  
**Contact:** Samir Srivastava  
**Address:** 5500 Hollywood Blvd., 4th Floor/West Wing  
Los Angeles, CA 90028  
**Phone:** (213) 268-2723  
**Email:** samir@absllc.org

**General Partner(s) or Principal Owner(s):** ABS Entrepreneur, LLC  
Kingdom Entrepreneur, LLC

**General Partner Type:** Joint Venture

**Parent Company(ies):** ABS Properties, Inc.  
Kingdom Development, Inc.

**Developer:** ABS Properties, Inc.

**Bond Issuer:** CalHFA

**Investor/Consultant:** Boston Financial Investment Management

**Management Agent:** Hyder Property Management Professionals

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 200  
 No. / % of Low Income Units: 198 100.00%  
 Federal Set-Aside Elected: 40%/60% Average Income  
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (99 units - 50%)

**Information**

Housing Type: Special Needs  
 Geographic Area: City of Los Angeles  
 TCAC Project Analyst: Tiffani Negrete

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 40	20%
40% AMI: 23	12%
50% AMI: 40	20%
80% AMI: 95	48%

**Unit Mix**

191 SRO/Studio Units  
9 2-Bedroom Units  
 200 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
38 SRO/Studio	30%	\$621
23 SRO/Studio	40%	\$828
38 SRO/Studio	50%	\$1,035
92 SRO/Studio	80%	\$1,468
2 2 Bedrooms	30%	\$798
2 2 Bedrooms	50%	\$1,330
3 2 Bedrooms	80%	\$2,128
2 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$24,591,500
Construction Costs	\$41,228,982
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,930,000
Soft Cost Contingency	\$500,000
Relocation	\$0
Architectural/Engineering	\$2,239,000
Const. Interest, Perm. Financing	\$13,117,000
Legal Fees	\$185,000
Reserves	\$850,000
Other Costs	\$3,468,000
Developer Fee	\$10,218,222
Commercial Costs	\$0
<b>Total</b>	<b>\$98,327,704</b>

**Residential**

Construction Cost Per Square Foot:	\$381
Per Unit Cost:	\$491,639
True Cash Per Unit Cost*:	\$445,547

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
ATAX - T.E. Bonds	\$50,000,000	ATAX - T.E. Bonds	\$32,000,000
ATAX - Recycled Bonds	\$8,000,000	ATAX - Recycled Bonds	\$8,000,000
ATAX - Taxable Loan	\$20,766,584	Seller Carryback Loan	\$3,500,000
Seller Carryback Loan	\$3,500,000	Deferred Developer Fee	\$5,718,222
Deferred Reserves	\$1,420,000	State Credit Backfill (TBD)	\$11,510,497
Deferred Costs	\$4,122,898	Tax Credit Equity	\$37,598,985
Deferred Developer Fee	\$5,718,222	<b>TOTAL</b>	<b>\$98,327,704</b>
Tax Credit Equity	\$4,800,000		

\*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$80,339,704
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$104,441,615
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,177,665
Total State Credit:	\$0
Approved Developer Fee (in Project Cost & Eligible Basis):	\$10,218,222
Investor/Consultant:	Boston Financial Investment Management
Federal Tax Credit Factor:	\$0.90000
State Tax Credit Factor:	\$0.71000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Significant Information / Additional Conditions**

The reservation of tax credits is contingent upon verification by HUD of the rental subsidy contract rent amounts within 180 days of the date of reservation.

This Project's annual per unit operating expense total is below the TCAC published per unit operating minimums of \$4,850. As allowed by TCAC Regulation Section 10327(g)(1), TCAC approves an annual per unit operating expense total of \$4,975 on agreement of the permanent lender and equity investor.

**Resyndication and Resyndication Transfer Event:** None.

**Standard Conditions**

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

**CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.